

(f) **RELATIONSHIP TO OTHER INCENTIVES.**—A retention bonus paid under this section is in addition to any other pay and allowances to which a member is entitled.

(g) **REPAYMENT OF BONUS.**—(1) If an officer who has entered into a written agreement under subsection (a) fails to complete the total period of active duty specified in the agreement, or an enlisted member who voluntarily or because of misconduct does not complete the term of enlistment for which a bonus was paid under this section, the Secretary of Defense, and the Secretary of Transportation with respect to members of the Coast Guard when it is not operating as a service in the Navy, may require the member to repay the United States, on a pro rata basis and to the extent that the Secretary determines conditions and circumstances warrant, all sums paid under this section.

(2) An obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

(3) A discharge in bankruptcy under title 11 that is entered less than 5 years after the termination of a written agreement entered into under subsection (a) does not discharge the member from a debt arising under paragraph (2).

(h) **ANNUAL REPORT.**—Not later than February 15 of each year, the Secretary of Defense and the Secretary of Transportation shall submit to Congress a report—

(1) analyzing the effect, during the preceding fiscal year, of the provision of bonuses under this section on the retention of members qualified in the critical military skills for which the bonuses were offered; and

(2) describing the intentions of the Secretary regarding the continued use of the bonus authority during the current and next fiscal years.

(i) **TERMINATION OF BONUS AUTHORITY.**—No bonus may be paid under this section with respect to any reenlistment, or voluntary extension of an enlistment, in the armed forces entered into after December 31, 2002, and no agreement under this section may be entered into after that date.

(Added Pub. L. 106-398, §1 [div. A], title VI, §633(a)(1)], Oct. 30, 2000, 114 Stat. 1654, 1654A-157; amended Pub. L. 107-107, div. A, title VI, §614(d), Dec. 28, 2001, 115 Stat. 1136.)

AMENDMENTS

2001—Subsec. (i). Pub. L. 107-107 substituted “December 31, 2002” for “December 31, 2001”.

EFFECTIVE DATE

Pub. L. 106-398, §1 [div. A], title VI, §633(b)], Oct. 30, 2000, 114 Stat. 1654, 1654A-158, provided that: “Section 323 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2000.”

§ 324. Special pay: accession bonus for new officers in critical skills

(a) **ACCESSION BONUS AUTHORIZED.**—Under regulations prescribed by the Secretary concerned, a person who executes a written agreement to accept a commission as an officer of the armed forces and serve on active duty in a designated

critical officer skill for the period specified in the agreement may, upon acceptance of the agreement by the Secretary concerned, be paid an accession bonus in an amount determined by the Secretary concerned.

(b) **DESIGNATION OF CRITICAL OFFICER SKILLS.**—(1)¹ The Secretary concerned shall designate the critical officer skills for the purposes of this section. A skill may be designated as a critical officer skill for an armed force under this subsection if—

(1) in order to meet requirements of the armed force, it is critical for the armed force to have a sufficient number of officers who are qualified in that skill; and

(2) in order to mitigate a current or projected significant shortage of personnel in the armed force who are qualified in that skill, it is critical to access into that armed force in sufficient numbers persons who are qualified in that skill or are to be trained in that skill.

(c) **LIMITATION ON AMOUNT OF BONUS.**—The amount of an accession bonus under subsection (a) may not exceed \$60,000.

(d) **PAYMENT METHOD.**—Upon acceptance of a written agreement under subsection (a) by the Secretary concerned, the total amount of the accession bonus payable under the agreement becomes fixed. The agreement shall specify whether the accession bonus will be paid by the Secretary in a lump sum or installments.

(e) **RELATION TO OTHER ACCESSION BONUS AUTHORITY.**—An individual may not receive an accession bonus under this section and section 302d, 302h, 302j, or 312b of this title for the same period of service.

(f) **REPAYMENT FOR FAILURE TO COMMENCE OR COMPLETE OBLIGATED SERVICE.**—(1) An individual who, after having received all or part of the accession bonus under an agreement referred to in subsection (a), fails to accept a commission as an officer or to commence or complete the total period of active duty service specified in the agreement shall repay to the United States the amount that bears the same ratio to the total amount of the bonus authorized for such person as the unserved part of the period of agreed active duty service bears to the total period of the agreed active duty service. However, the amount required to be repaid by the individual may not exceed the amount of the accession bonus that was paid to the individual.

(2) Subject to paragraph (3), an obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owed to the United States. A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement entered into under subsection (a) does not discharge the individual signing the agreement from a debt arising under such agreement or under paragraph (1).

(3) The Secretary concerned may waive, in whole or in part, the repayment requirement under paragraph (1) on a case-by-case basis if the Secretary concerned determines that repayment would be against equity and good con-

¹ So in original. Par. (1) designation probably should not appear.

science or would be contrary to the best interests of the United States.

(g) **TERMINATION OF AUTHORITY.**—No agreement under this section may be entered into after December 31, 2002.

(Added Pub. L. 107–107, div. A, title VI, §621(a), Dec. 28, 2001, 115 Stat. 1139.)

§ 325. Incentive bonus: savings plan for education expenses and other contingencies

(a) **BENEFIT AND ELIGIBILITY.**—The Secretary concerned may purchase United States savings bonds under this section for a member of the armed forces who is eligible as follows:

(1) A member who, before completing three years of service on active duty, enters into a commitment to perform qualifying service.

(2) A member who, after completing three years of service on active duty, but not more than nine years of service on active duty, enters into a commitment to perform qualifying service.

(3) A member who, after completing nine years of service on active duty, enters into a commitment to perform qualifying service.

(b) **QUALIFYING SERVICE.**—For the purposes of this section, qualifying service is service on active duty in a specialty designated by the Secretary concerned as critical to meet requirements (whether or not such specialty is designated as critical to meet wartime or peacetime requirements) for a period that—

(1) is not less than six years; and

(2) does not include any part of a period for which the member is obligated to serve on active duty under an enlistment or other agreement for which a benefit has previously been paid under this section.

(c) **FORMS OF COMMITMENT TO ADDITIONAL SERVICE.**—For the purposes of this section, a commitment means—

(1) in the case of an enlisted member, a reenlistment; and

(2) in the case of a commissioned officer, an agreement entered into with the Secretary concerned.

(d) **AMOUNTS OF BONDS.**—The total of the face amounts of the United States savings bonds authorized to be purchased for a member under this section for a commitment shall be as follows:

(1) In the case of a purchase for a member under paragraph (1) of subsection (a), \$5,000.

(2) In the case of a purchase for a member under paragraph (2) of subsection (a), the amount equal to the excess of \$15,000 over the total of the face amounts of any United States savings bonds previously purchased for the member under this section.

(3) In the case of a purchase for a member under paragraph (3) of subsection (a), the amount equal to the excess of \$30,000 over the total of the face amounts of any United States savings bonds previously purchased for the member under this section.

(e) **TOTAL AMOUNT OF BENEFIT.**—The total amount of the benefit authorized for a member

when United States savings bonds are purchased for the member under this section by reason of a commitment by that member shall be the sum of—

(1) the purchase price of the United States savings bonds; and

(2) the amounts that would be deducted and withheld for the payment of individual income taxes if the total amount computed under this subsection for that commitment were paid to the member as a bonus.

(f) **AMOUNT WITHHELD FOR TAXES.**—The total amount payable for a member under subsection (e)(2) for a commitment by that member shall be withheld, credited, and otherwise treated in the same manner as amounts deducted and withheld from the basic pay of the member.

(g) **REPAYMENT FOR FAILURE TO COMPLETE OBLIGATED SERVICE.**—(1) If a person fails to complete the qualifying service for which the person is obligated under a commitment for which a benefit has been paid under this section, the person shall refund to the United States the amount that bears the same ratio to the total amount paid for the person (as computed under subsection (e)) for that particular commitment as the uncompleted part of the period of qualifying service bears to the total period of the qualifying service for which obligated.

(2) Subject to paragraph (3), an obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

(3) The Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

(4) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an enlistment or other agreement under this section does not discharge the person signing such enlistment or other agreement from a debt arising under the enlistment or agreement, respectively, or this subsection.

(h) **RELATIONSHIP TO OTHER SPECIAL PAYS.**—The benefit authorized under this section is in addition to any other bonus or incentive or special pay that is paid or payable to a member under any other provision of this chapter for any portion of the same qualifying service.

(i) **REGULATIONS.**—This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Transportation for the Coast Guard when the Coast Guard is not operating as a service in the Navy.

(Added Pub. L. 107–107, div. A, title VI, §622(a)(1), Dec. 28, 2001, 115 Stat. 1140.)

EFFECTIVE DATE

Pub. L. 107–107, div. A, title VI, §622(b), Dec. 28, 2001, 115 Stat. 1142, provided that: “Section 325 of title 37, United States Code, as added by subsection (a), shall apply with respect to reenlistments and other agreements for qualifying service, as described in that section, that are entered into on or after October 1, 2001.”